I have been reviewing the broad agenda of issues to be discussed with Prime Minister Nakasone during his visit to the United States on January 2, 1985. This visit will reaffirm and strengthen our crucial bilateral relationship with Japan. It will also provide an opportunity for candid discussion of those areas where substantial progress is needed to preserve our forward momentum as Pacific partners. This challenge for continued progress is nowhere more apparent than in the area of our economic relationship. Much creativity, effort and tenacity will be required if we are to overcome obstacles to the achievement of our objectives in the fields of trade, finance, energy, security assistance and others. Failure to do so could complicate and hamper our broader bilateral agenda for progress including exciting prospects for both the U.S. and Japan stemming from closer ties with our neighbors in the Pacific Basin.

To meet this challenge successfully, we must pull together the array of bilateral issues before us into a single coherent game plan for the Prime Minister's visit in January as well as the longer term issue of U.S.-Japan follow-up. On May 7, 1984, I designated Secretary Shultz to take over the leadership role for the U.S.-Japan follow-up process from the able stewardship of Vice President Bush. Secretary Shultz will continue to exercise overall responsibility for the integration of the political, military and economic aspects of our relationship with Japan.

I will look to the Senior Interdepartmental Group-International Economic Policy (SIG-IEP) as the Cabinet-level body to integrate the various components of U.S.-Japan economic relations. I therefore request that Cabinet Council groups and other interagency groups currently working on specific issues related to U.S.-Japan economic relations make their recommendations through the SIG-IEP for consideration by the NSC so that the integrative process can go forward expeditiously. An NSC meeting is scheduled for December 21, 1984, by which time recommendations should be completed for my review.